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**Hearing Date: 10/21/09, 2:30 p.m.**  
**Objection Date: 10/16/09, 4 p.m.**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

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**In re:**

**CARITAS HEALTH CARE, INC., et al.,**

Chapter 11

Case Nos. 09-40901 (CEC)  
Through 09-40909 (CEC)

**Debtors.**

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**RESERVATION OF RIGHTS OF THE CITY  
OF NEW YORK WITH RESPECT TO THE  
DEBTORS' MOTION FOR AN ORDER  
AUTHORIZING THE SALE OF THE MARY  
IMMACULATE AND ST. JOHN'S CAMPUSES  
FREE AND CLEAR OF LIENS, CLAIMS,  
INCUMBRANCES AND INTERESTS**

The City of New York, by its counsel, MICHAEL A. CARDOZO, Corporation Counsel of the City of New York, hereby reserves its rights with respect to the Debtors' Motion for an Order Authorizing the Sale of the Debtors' Mary Immaculate and St. John's Campuses (the "Real Estate") Free and Clear of Liens, Claims, Incumbrances and Interests. The City's reservation pertains to any statutory liens that may have attached to the Real Estate either prior to or after the Debtors' Chapter 11 filing that have to be satisfied at or prior to any closing of the proposed sale of the Real Property. Subject to such liens, if any, being satisfied on or prior to closing, the City hereby objects to the sale of the Real Estate being free and clear of liens, claims, incumbrances and interests. While the Debtors' procedures and sale motion reflected that the City's liens would be so satisfied prior to closing, the Order Approving Auction

Procedures and Bid Protections Respecting Sales of the Debtors' Real Property dated September 15, 2009 did not specify that that the sale shall be free and clear of liens, with such liens attaching to the proceeds of the sale. This Reservation seeks to clarify that (i) any statutory liens held by the City against the Real Estate must be paid on or prior to the closing of the sale of the Real Estate; and (ii) if not so satisfied, such liens shall attach to the proceeds of sale.

Dated: New York, New York  
October 16, 2009

MICHAEL A. CARDOZO  
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By: /s/Gabriela P. Cacuci  
Gabriela P. Cacuci (GC-4791)

**CERTIFICATE OF SERVICE**

I, Gabriela P. Cacuci, an attorney admitted to practice before the courts of the State of New York, do hereby certify that on October 16, 2009, I served true copies of the above referenced Reservation of Rights dated October 16, 2009, by electronic transmission and/or facsimile transmission on the persons listed below:

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Dated: New York, New York  
October 16, 2009

/s/Gabriela P. Cacuci  
GABRIELA P. CACUCI